VZCZCXRO6622 PP RUEHFK RUEHKSO RUEHNAG RUEHNH DE RUEHKO #5241 3190447 ZNR UUUUU ZZH P 150447Z NOV 07 FM AMEMBASSY TOKYO TO RUEHC/SECSTATE WASHDC PRIORITY 9558 RUEKJCS/SECDEF WASHDC PRIORITY RUCPDOC/USDOC WASHDC PRIORITY RUEATRS/DEPT OF TREASURY WASHINGTON DC PRIORITY RUYNAAC/COMNAVFORJAPAN YOKOSUKA JA PRIORITY RHHMUNA/HQ USPACOM HONOLULU HI PRIORITY RHHMHBA/COMPACFLT PEARL HARBOR HI//N541// PRIORITY RHMFIUU/HQ PACAF HICKAM AFB HI//CC/PA// PRIORITY RUHBANB/OKINAWA FLD OFC US FORCES JAPAN CP BUTLER JA PRIORITY RHMFIUU/USFJ PRIORITY INFO RUEHFK/AMCONSUL FUKUOKA 4418 RUEHNH/AMCONSUL NAHA 6823 RUEHNAG/AMCONSUL NAGOYA 3218 RUEHKSO/AMCONSUL SAPPORO 5088 RUEHOK/AMCONSUL OSAKA KOBE 8085 RUEHBJ/AMEMBASSY BEIJING 0142 RUEHMO/AMEMBASSY MOSCOW 1959 RUEHUL/AMEMBASSY SEOUL 6195 RUCNDT/USMISSION USUN NEW YORK 6967 RHEHAAA/NSC WASHDC

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STATE FOR I/RF, PA/PR/FPC/W, IIP/G/EA, EAP/PD, R/MR, EAP/J, EAP/P, PM; USTR FOR PUBLIC AFFAIRS OFFICE; TREASURY FOR OASIA/IMI; SECDEF FOR OASD/PA; CP BUTLER OKINAWA FOR AREA FIELD OFFICE; PACOM HONOLULU FOR PUBLIC DIPLOMACY ADVISOR

E.O. 12958: N/A

TAGS: OIIP KMDR KPAO JA

SUBJECT: TOKYO MEDIA REACTION - PAKISTAN'S CRISIS AND TRAN

LEAD STORIES: Top stories on Thursday morning include the Mizuho Financial Group's announcement Wednesday of a massive loss incurred by the group due to the subprime loan crisis.

- 11. "Power-Sharing Plan on Verge of Collapse" The conservative Sankei's Bangkok correspondent reported (11/15): "Political confusion in Pakistan is deepening, as President Musharraf has decided to take a harder line by rejecting a power-sharing arrangement with former Prime Minister Bhutto following her call on the president to step down. The Bush administration will send Deputy Secretary of State Negroponte to Islamabad in search of a solution to the crisis, and his mediation efforts will be the focus for the time being. Bhutto's call for Musharraf to resign has brought the Bush administration's efforts to resolve the crisis through a power-sharing arrangement to the verge of collapse."
- 12. "Moderates Raise Objections to Hardliners" Tehran-based reporter Kudo of the top circulation, moderate Yomiuri wrote (11/15): "There appears to be a growing rift within the Iranian leadership over how to assess the threat posed by the US-led international effort to isolate the country in response to Tehran's nuclear program. In contrast to the ultraconservative President Ahmadinejad's characterization of the October US economic sanctions as 'superficial,' moderates in the government insist that the punitive measures pose a 'grave threat' to Iran. The moderates and reformists

are also critical of the president's political style. This division could potentially lead to a change in the country's nuclear policy."

DONOVAN